

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** April 5, 2010  
**POSITION:** Oppose

**BILL NUMBER:** SB 1130  
**AUTHOR:** S. Aanestad

### **BILL SUMMARY:** Corrections: Prison Industry Authority

This bill would prohibit a state agency from purchasing any product from the California Prison Industry Authority (CALPIA) unless the total cost to the state agency for the transaction is equal to or less than the total cost of making that same transaction with a private entity or another public agency.

### **FISCAL SUMMARY**

According to the California Department of Corrections and Rehabilitation (CDCR), this measure could result in additional General Fund costs due to the loss of effective vocational training and increased recidivism for inmates. This measure could significantly reduce revenues to the Prison Industries Revolving Fund and force the elimination of thousands of inmate training positions and hundreds of CALPIA staff. Vocational training at the CDCR costs approximately \$135,000 for every 27 inmates. Assuming the CDCR seeks to replace the lost CALPIA programming slots with alternative vocational programming, the cost to replace the CALPIA positions could result in an additional \$30 million in General Fund costs to the CDCR.

In addition, the CDCR could also incur significant additional General Fund costs for incarceration. According to the CALPIA, on average, inmates employed in CALPIA programs have a 25 percent lower recidivism rate. The elimination of CALPIA programs could result in increased recidivism for the inmates no longer employed by the CALPIA. Furthermore, unless alternative programming is funded, the loss of the CALPIA positions and programs that keep inmates busy and productive will significantly reduce the CDCR's ability to manage inmate populations and maintain a safe working environment for staff.

Finally, we note that this measure would create a new workload within all state agencies and departments, as they would now be required to conduct cost analyses before deciding whether they must purchase a product from the CALPIA.

### **COMMENTS**

The Department of Finance is opposed to this measure for the following reasons:

- It could create a General Fund pressure to fund new vocational programs within the CDCR.
- It could result in additional General Fund costs associated with increased recidivism rates due to vocational program eliminations within the CALPIA.
- It could inhibit the CDCR's ability to manage inmate populations and maintain a safe working environment for staff.

Existing law:

- Authorizes the CALPIA to operate industrial, agricultural, and service enterprises that provide products and services to the state or other specified agencies.
- Requires state agencies to purchase CALPIA products, make maximum utilization of these products, and consult with the staff of the CALPIA to develop new products and adapt existing products to meet their needs.

Analyst/Principal (0234)	Date	Assistant Program Budget Manager	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

S. Aanestad

April 5, 2010

SB 1130

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Code
5420/Prison Indus	SO	No	-----	See Fiscal Summary	-----				0678
1600/Misc Rev Tot	RV	No	-----	See Fiscal Summary	-----				0678
5225/Corr & Rehab	SO	No	-----	See Fiscal Summary	-----				0001
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0001

Fund CodeTitle

0001

General Fund

0678

Prison Industries Revolving Fund